



**Michigan State Housing  
Development Authority**

*Vibrant Cities, Towns and Villages –  
New Economy Job Creation*



# MISSION

MSHDA provides financial and technical assistance through public and private partnerships to:

- create and preserve safe and decent affordable housing
- develop vibrant cities town and villages
- address homeless issues



# VISION

MSHDA's vision is to provide housing opportunities for all and help transform the Michigan economy by investing in Michigan's cities, towns and villages – making them vibrant communities' where people want to live and work. Vibrant cities are a core piece of Michigan's economic strategy. **Michigan Citizens deserve the highest quality of life we can achieve in the 21<sup>st</sup> Century.**



# MSHDA Accomplishes Its Vision By:

**Financing downtown and neighborhood improvements to make them attractive places to live and do business.**

**Financing affordable work force, family and senior housing**

**Financing supportive housing for the homeless and people with disabilities.**

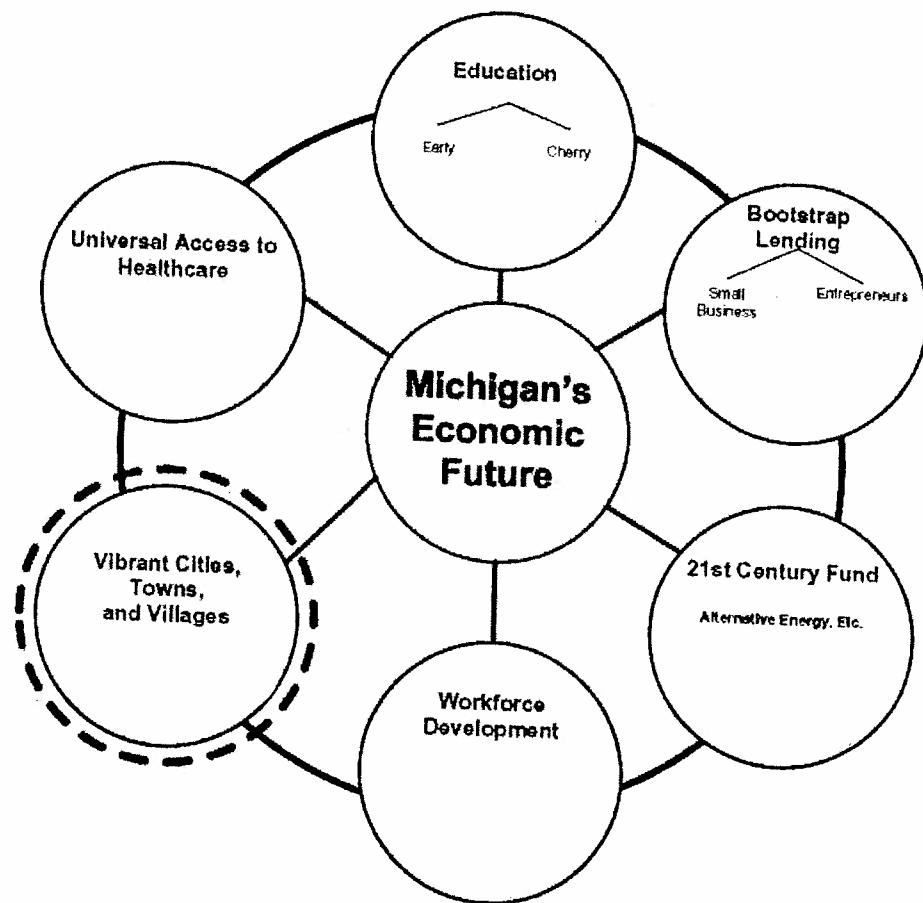
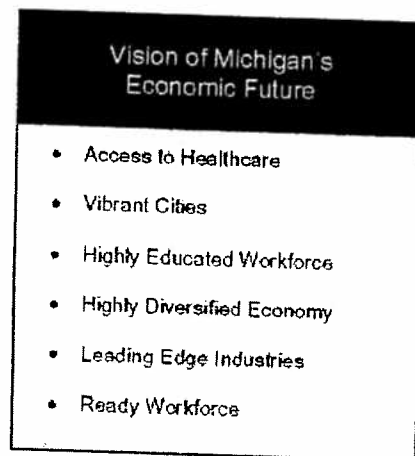


# COLLABORATION & PARTNERSHIPS

- MSHDA works with an extensive list of partners to meet its mission, including:
  - Builders
  - Downtown Developers
  - Federal Departments
  - Financial Intermediaries
  - For Profit Developers
  - Homeless Service Providers
  - Lenders
  - Local Governments
  - Nonprofit Organizations
  - Public Housing Authorities
  - Realtors
  - State Departments



# TRANSFORMING MICHIGAN'S ECONOMY



# WHAT THE EXPERTS SAY

## Concepts from 2006 Economic Development Studies in Michigan

"A New Agenda for a New Michigan", Report by Michigan Future, Inc. June, 2006

This report lists the ways the state can prepare itself for the economic realities of a post-industrial world. These include:

- Prepare, retain and attract talent.
- Places with the greatest concentration of talent win.
- Create vibrant central city neighborhoods.
- Successful cities are younger and more affluent.

"The Brookings Institution: The Future State of the State: Why Michigan Needs a New Model" March 27, 2006

What factors drive economic growth and prosperity?

- More compact development patterns
- High density brings with it amenities that create a high "quality of place" that attracts young knowledge workers.
- Educated metro areas win in the new economy.

What policies can Michigan pursue to help move toward a brighter economic future?

- Establish regional visions for transitioning to the next economy.
- Drive Urban reinvestment.
- Make Michigan's workforce "best in class" with high level academic and skills training.

"The Young and Restless in a Knowledge Economy" CEOs for Cities, December 2005

- Talent, particularly well-educated young adults, now plays a decisive role in urban economic success.
- Urban leaders need to emphasize talent and those aspects of cities that make them attractive to talented workers.
- Talented young workers are an indicator of economic vitality.

Recommendation excerpts:

- Make people the focus of economic development. Rather than a world in which places compete for business (and people follow), we will increasingly live in a world where places compete for people (and businesses follow).
- Vibrant urban neighborhoods are an economic asset.
- Become a city where women and ethnically diverse young people can achieve their goals.

## Excerpts from Economic Development/ Vibrant Cities Literature

"Michigan's Economic Future" Charles L. Ballard, MSU Press 2006

- In the future the economy will be driven by talent and creativity.
- Creative people often congregate in vibrant cities.
- To achieve its economic potential, Michigan has to create and maintain the kind of atmosphere that will retain talented young people.
- A vibrant economic future must include a new set of attitudes-creative, highly skilled, flexible, and entrepreneurial.
- Economic success depends on an adequate pool of highly educated workers and sufficient venture capital.

"The Rise of the Creative Class: Richard Florida, Perseus Books, 2002

- Successful cities provide a range of quality of place options for different kinds of people at different stages in the life course.
- Attracting talented people is a critical factor in regional economic growth.



# RESOURCES

MSHDA's activities are financed through the sale of tax-exempt and taxable bonds and notes to private investors, not from state tax revenues. MSHDA also administers almost all federal housing programs.





# PRODUCTION/JOB'S CREATED/TAXES PAID

2006

• Neighborhood Revitalization (units)	1,355
• Downtown Revitalization (projects)	248
• Multifamily Development (units)	6,375
• Home Purchase (units)	2,228
• Jobs Created – construction related industries	43,600
• Taxes Paid	\$184 million
• Investment Leveraged	1:3

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# MSHDA

MSHDA administers more than 30 programs and is involved in numerous initiatives that address affordable housing, community development and homelessness.

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# NEIGHBORHOOD REVITALIZATION PROGRAMS

- Neighborhood Preservation
- Downtown Neighborhoods
- Affordable Homeownership
- Rural Homeowner Rehabilitation

# Targeted Homeownership

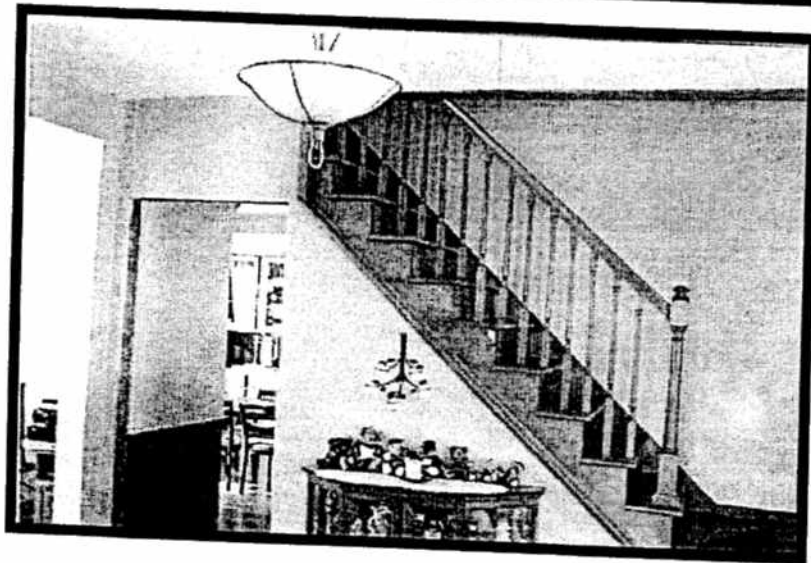
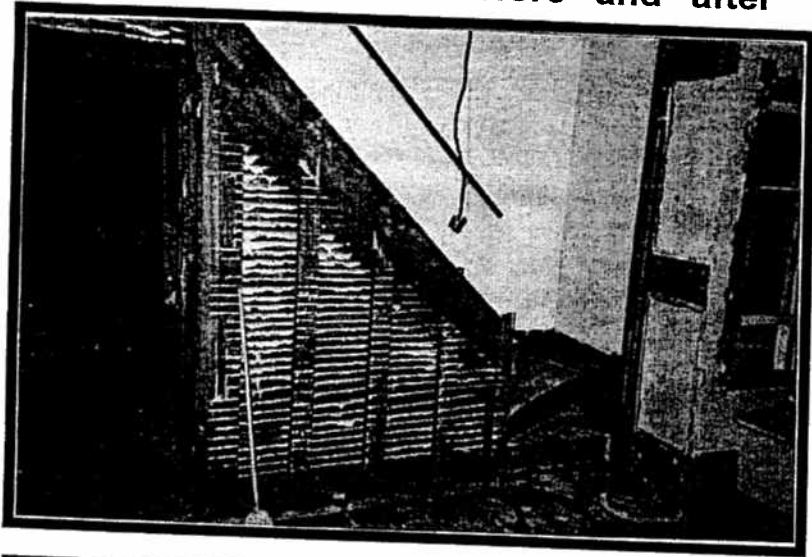


Detroit Catholic Pastoral Alliance Rehabilitation

- Create and preserve affordable housing which is equal to or better than the neighborhood standard, enhancing the value of neighboring housing units.
- Demonstrate the potential of the existing housing stock for restoration and modernization.
- Demonstrate potential for reuse of vacant lots.

# Targeted Homeownership

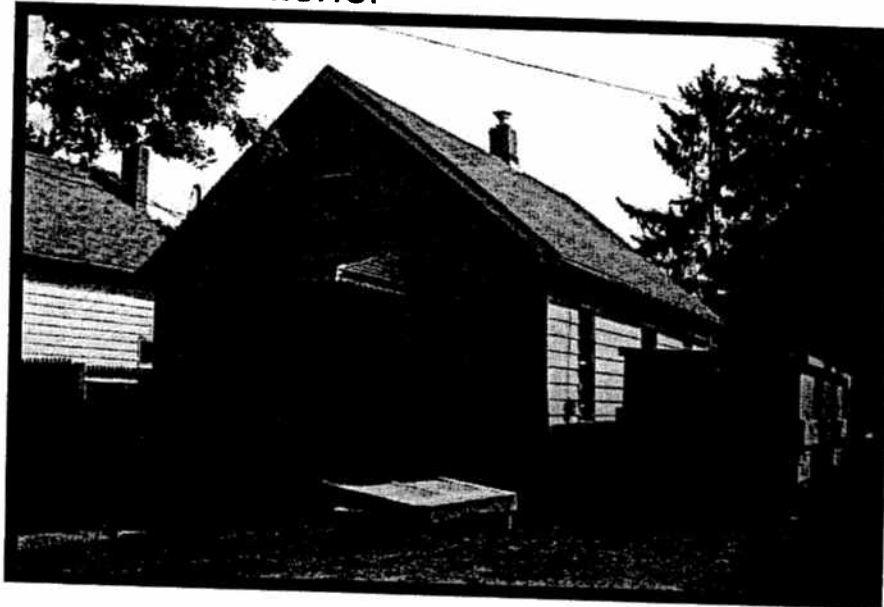
Holland rehabilitation “before” and “after”



- Reduce blight by returning abandoned housing to productive use.
- Coordinate with cities for targeted infrastructure improvement to streets and sidewalks.

# Targeted Homeownership

Before - Exterior



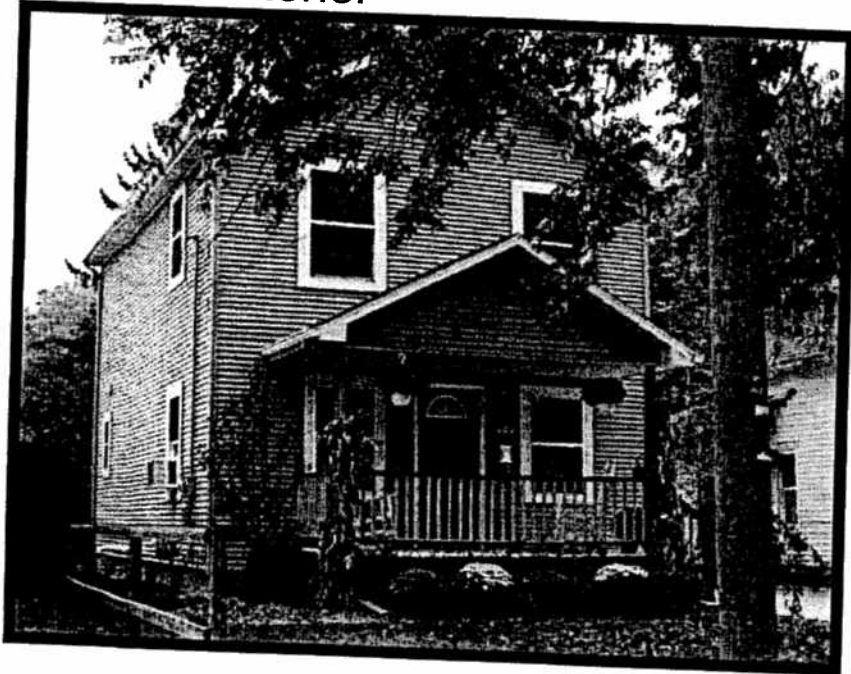
Before - Interior



Project Location: **Lansing**

# Targeted Homeownership

After - Exterior



After - Interior



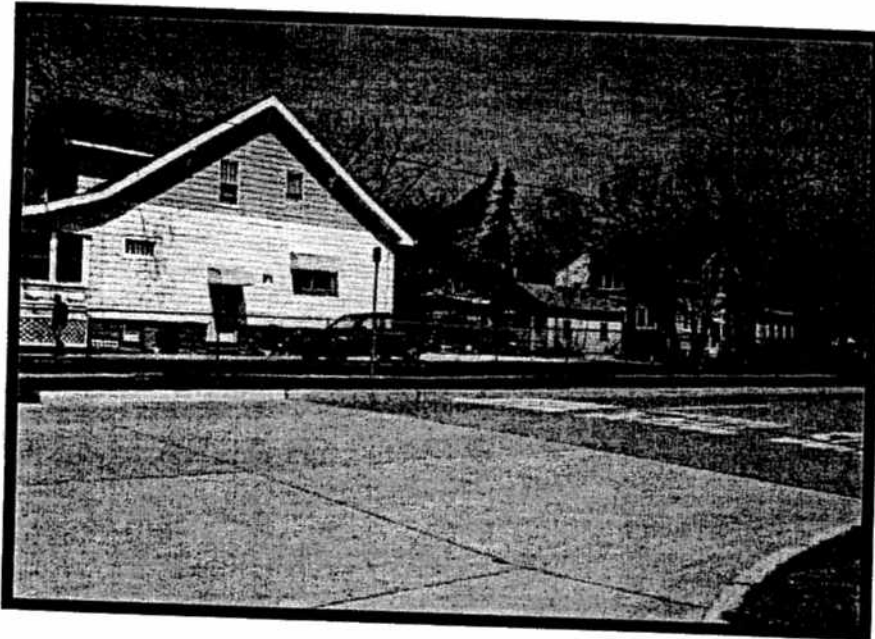
Project Location: **Lansing**

Old single story home was less than 900 square feet and no longer marketable for homeownership. Comprehensive redevelopment added a second story, additional bedrooms, and bathroom space repositioning the home as a contributing asset in the neighborhood. Sold to low/mod family.



# Targeted Homeownership

Before



After

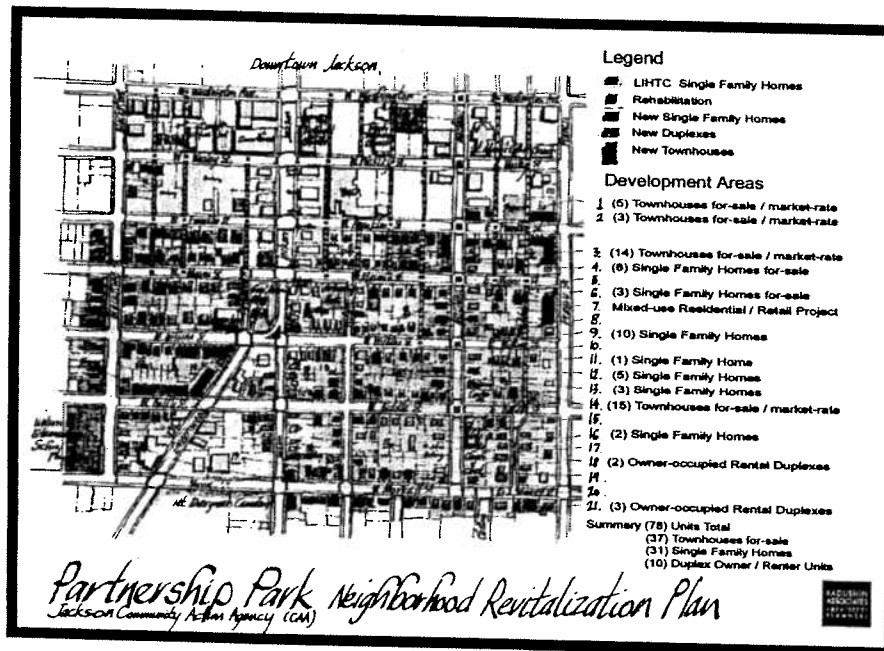


Project Location: **Port Huron**

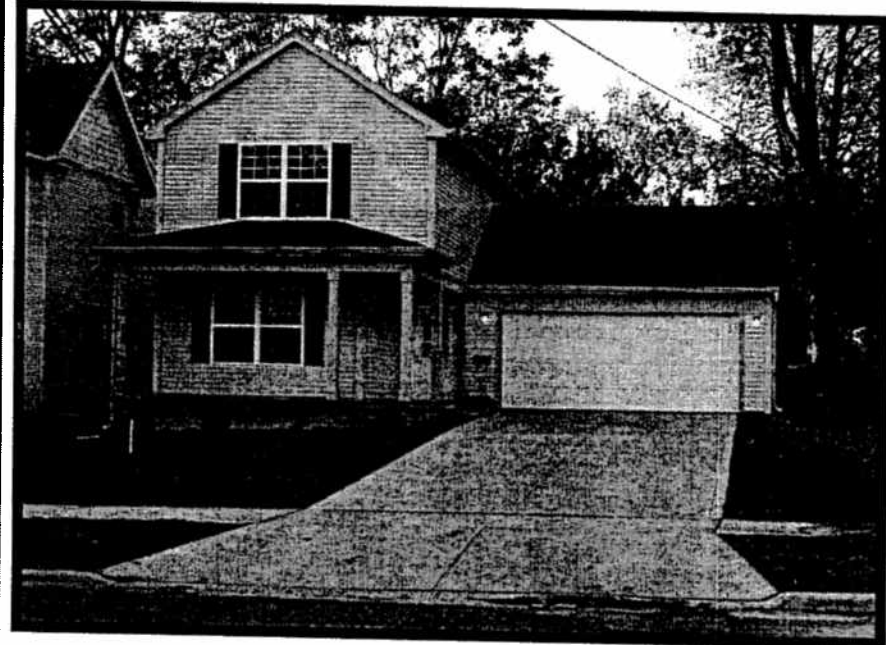
14 new homes—8 for sale to low/mod families and 6 to market rate buyers—near downtown Port Huron. Previous homes were substandard, blighted, and oriented to face a major arterial street. Project involved new side streets which the houses face, green space, and removal of marginal commercial building.

# Neighborhood Preservation Program

## Jackson Partnership Park



City of Jackson –  
Highlights 21 separate projects



Jackson Partnership Park showing new construction “visitable” unit

# Downtown Neighborhood Program

- Coordinate with MSHDA's CATeam in the redevelopment of mixed-use buildings
- Create a perception of the downtown as a vibrant residential neighborhood
- Increase downtown foot traffic by increasing residential population



Before

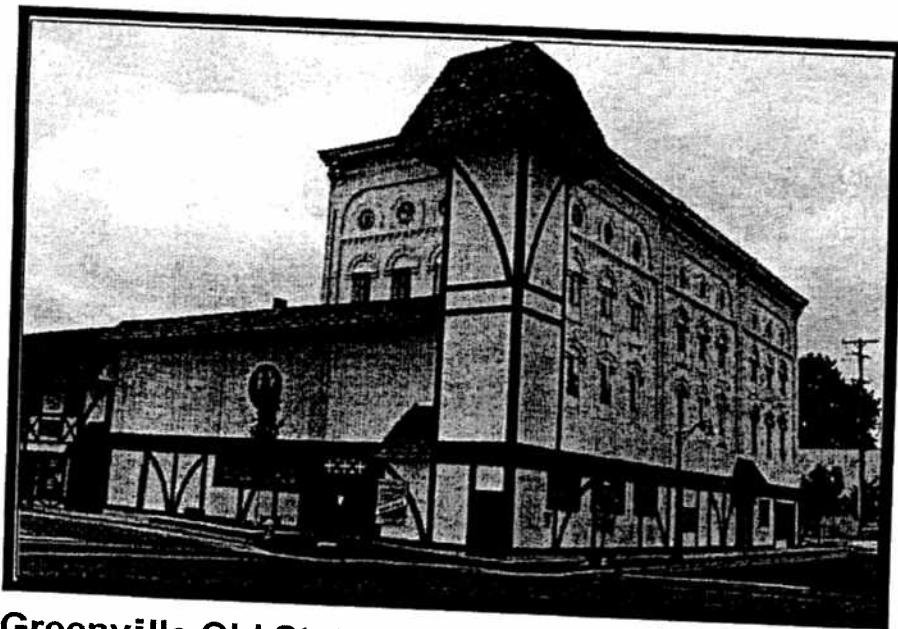


Niles Downtown

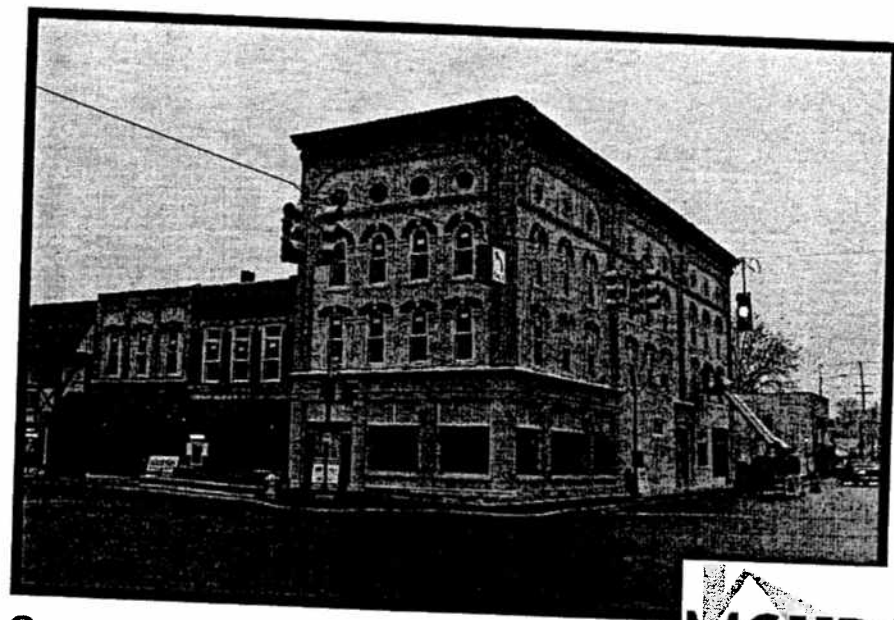
After

# Downtown Neighborhood Program

- Create more attractive downtown environments
- Provide incentives for property owners to create residential units
- Encourage investment by property owners, creating new business



Greenville Old State Bank “before”



Greenville Old State Bank “after”

# Downtown Neighborhood Program

Before



After

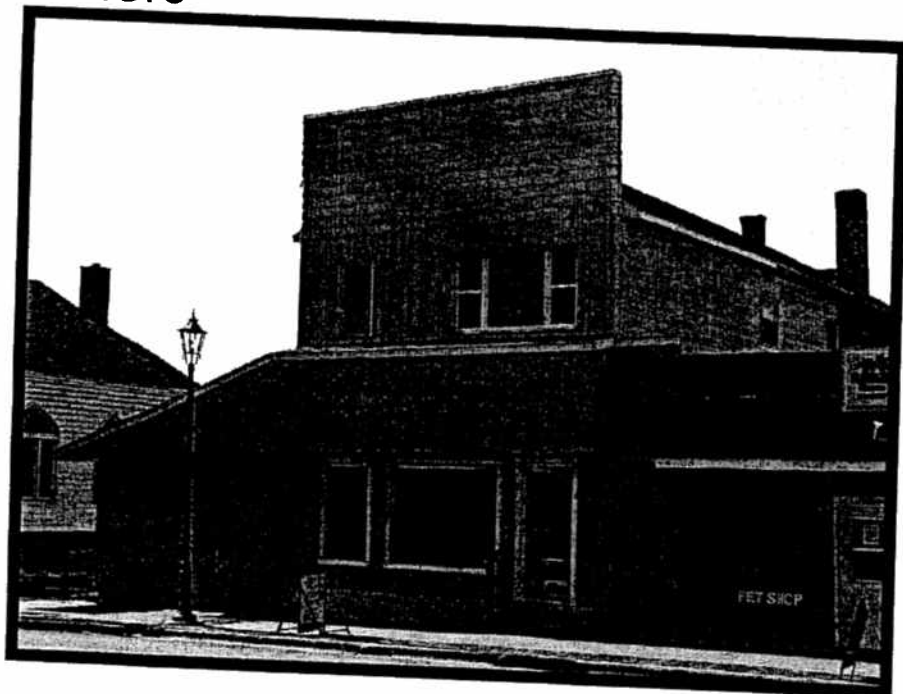


Downtown Newaygo – Vacant store front after Rental Rehabilitation

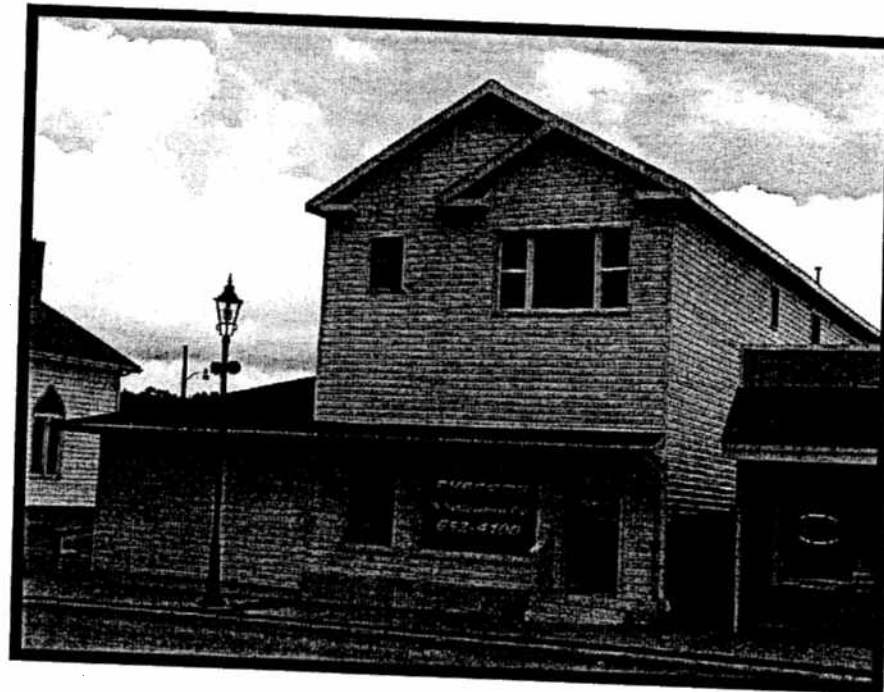


# Downtown Neighborhood Program

Before



After



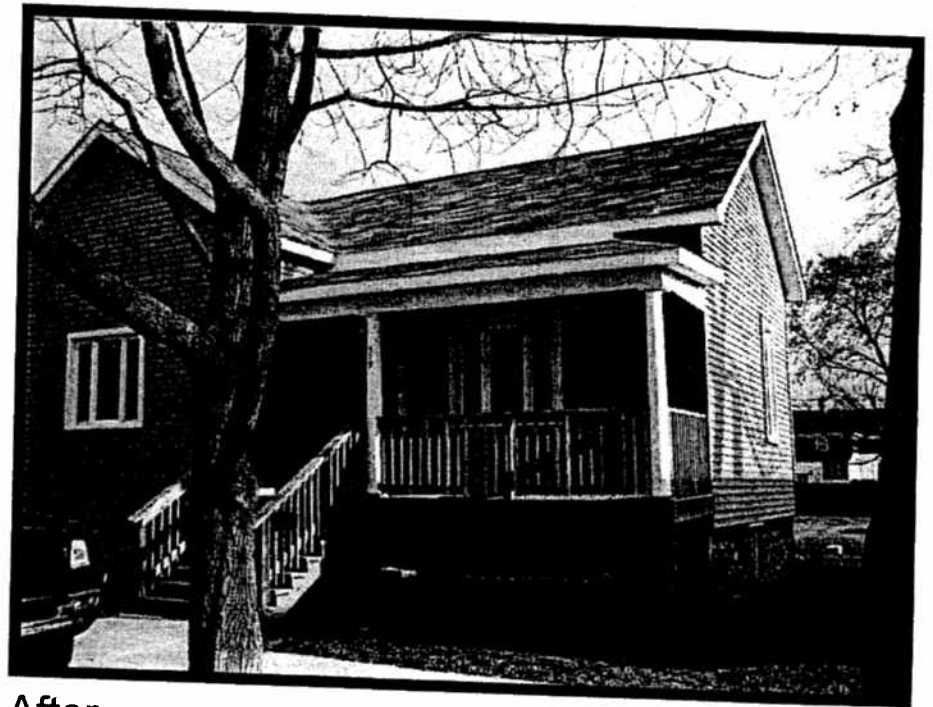
85 State Street Newaygo – Store front after Rental Rehabilitation

# Rural Homeowner Rehabilitation

## Alpena Homeowner Rehabilitation



Before



After

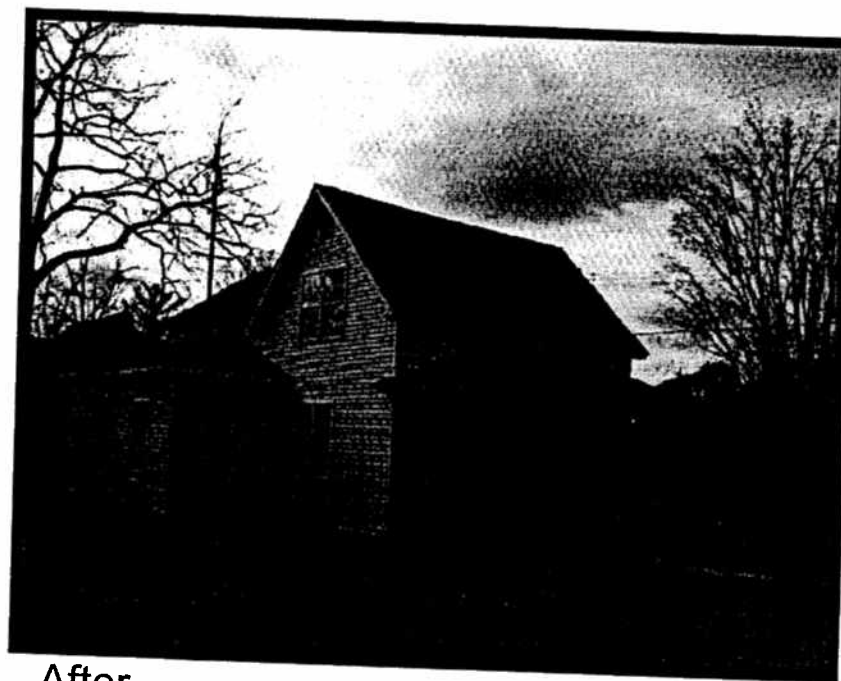


# Rural Homeowner Rehabilitation

## East Jordan Homeowner Rehabilitation



Before

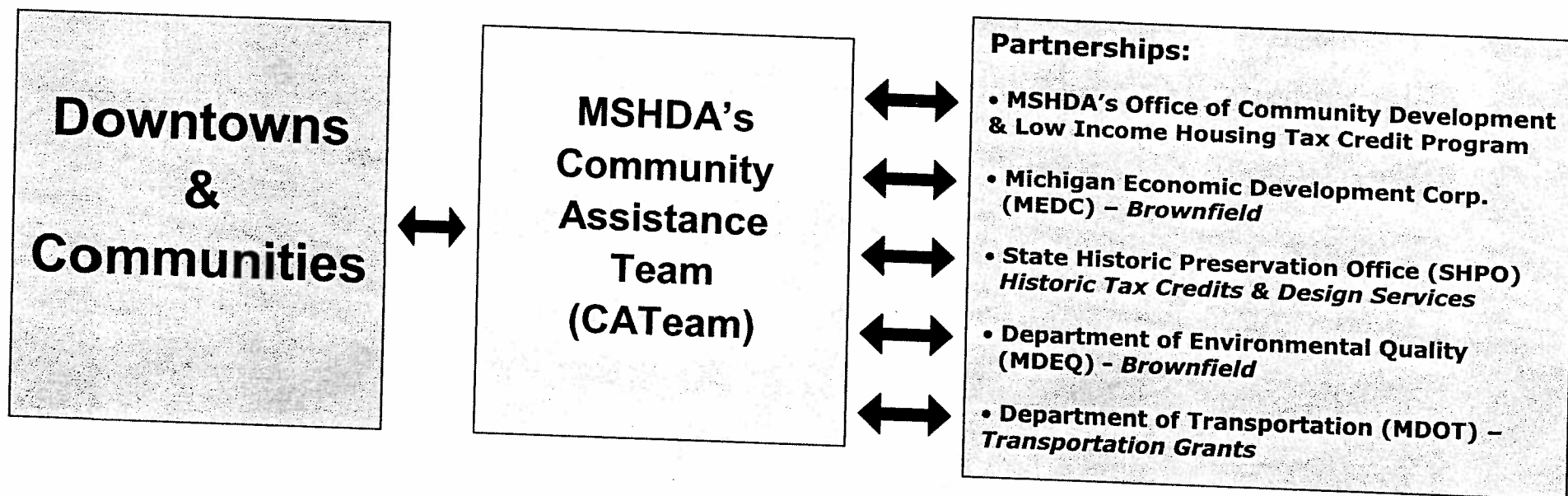


After

# DOWNTOWN REVITALIZATION PROGRAMS

- Michigan Main Street
- Blueprints For Michigan's Downtowns
- Downtown Infrastructure
- Special Downtown Projects (Discretionary)
- Downtown Market Studies
- Downtown Signature Building Acquisition
- Downtown Building Façade
- Brownfield Redevelopment

# HOW IT WORKS



# Michigan Main Street

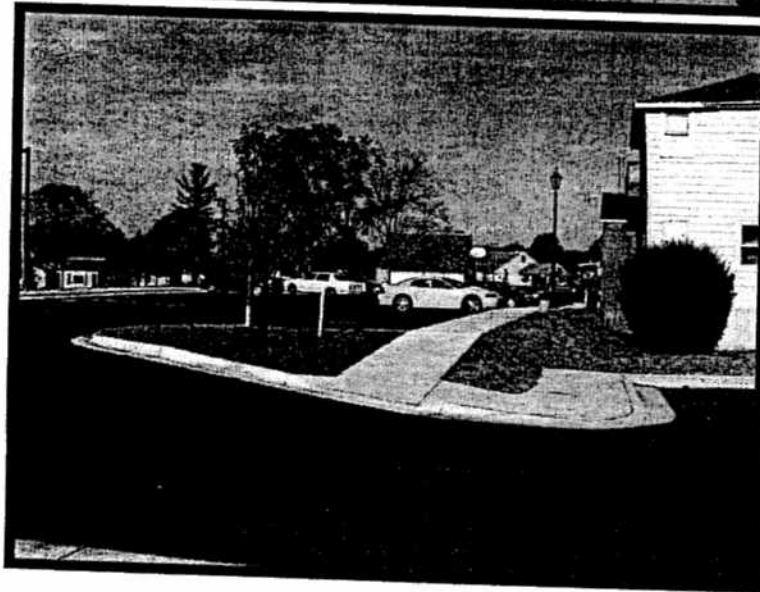
- Main Street offers intensive, year-round training in capacity building strategies designed to create more jobs, housing, and investment in Michigan's downtown communities.
- Four-Point Approach:
  - Organization
  - Promotion
  - Design
  - Economic Revitalization



Downtown Boyne City

# Downtown Infrastructure

Newaygo County before and after



- Public Infrastructure Projects
  - Examples:
    - Sidewalks, Curbs, Gutters, Parking Lots, Sewer, Water, Streetscapes, etc.
- Up to \$20,000 in CDBG for every new job created
- All projects must create private jobs and private investment (2 to 1 ratio)
- 51% of the total jobs created must be for Low to Moderate Income persons.

# Blueprints for Michigan's Downtowns

- A comprehensive, market-driven approach toward developing an action-oriented, five-year downtown economic enhancement strategy.
- Partnership with the Michigan Municipal League (MML)
- 34 Blueprint Downtowns

# Downtown Building Façade

- Grants for communities seeking to target areas of traditional downtowns for façade improvements.
- Projects include a number of façade improvements for a substantial impact to the aesthetic appeal of a downtown area.



Downtown Boyne City

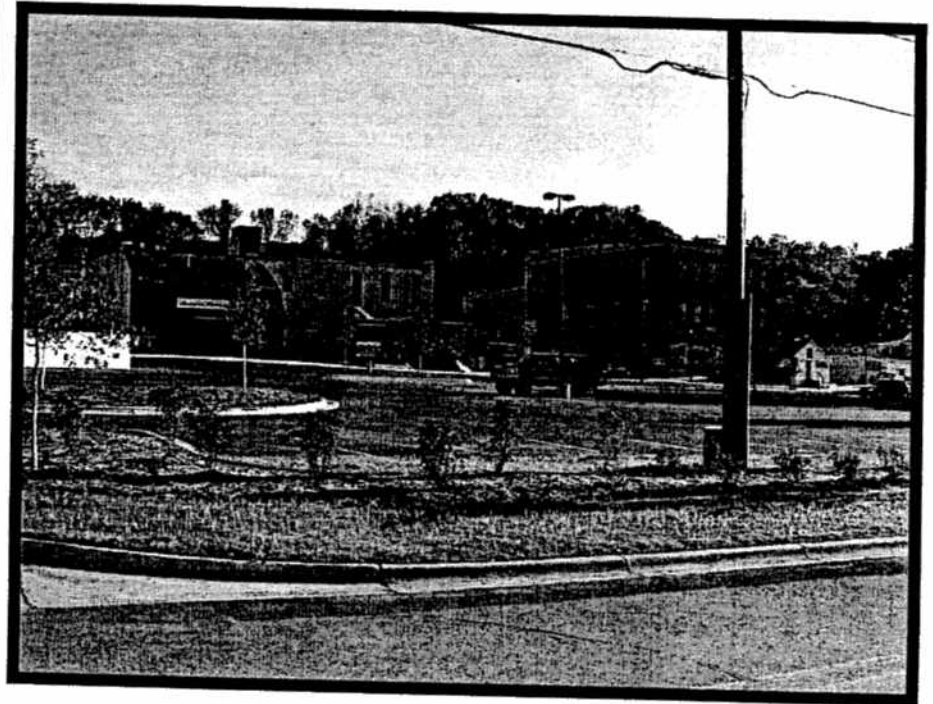


# Downtown Building Façade

Newaygo



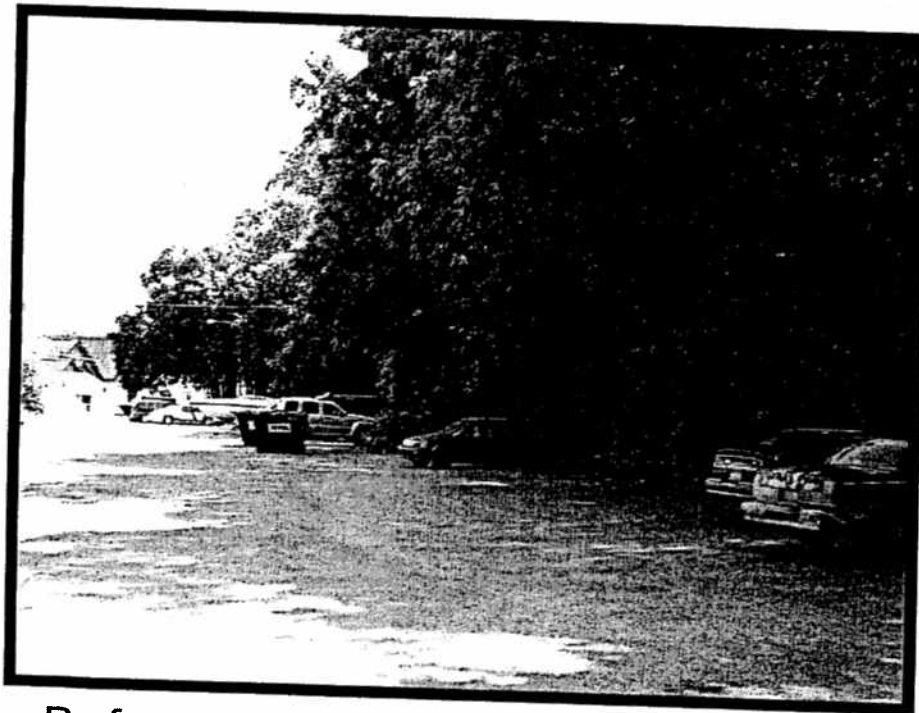
Before



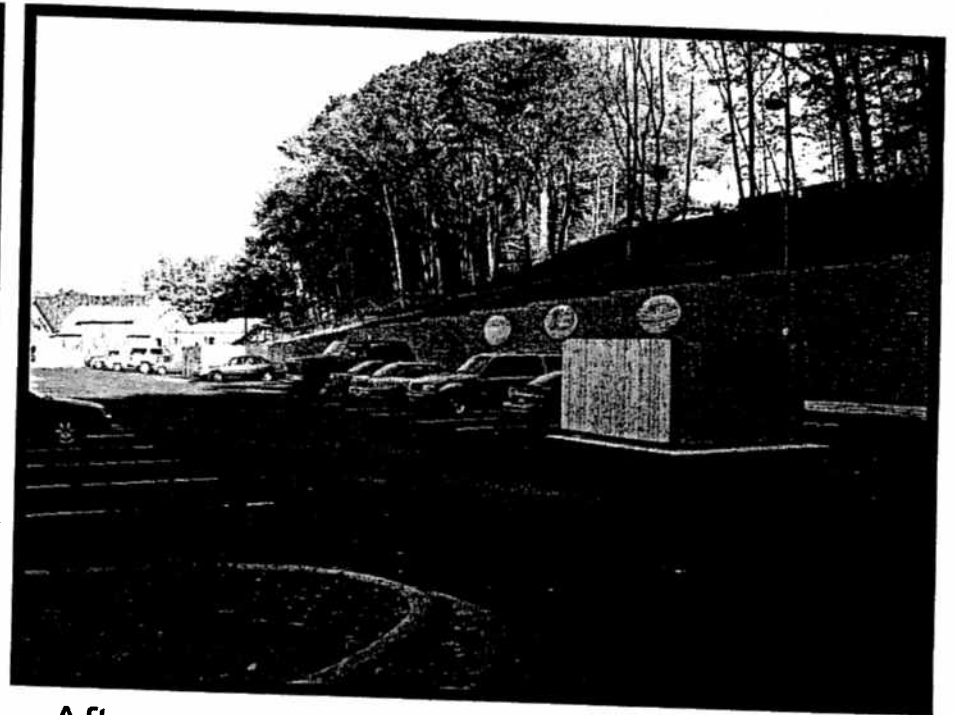
After

# Downtown Building Façade

Newaygo



Before

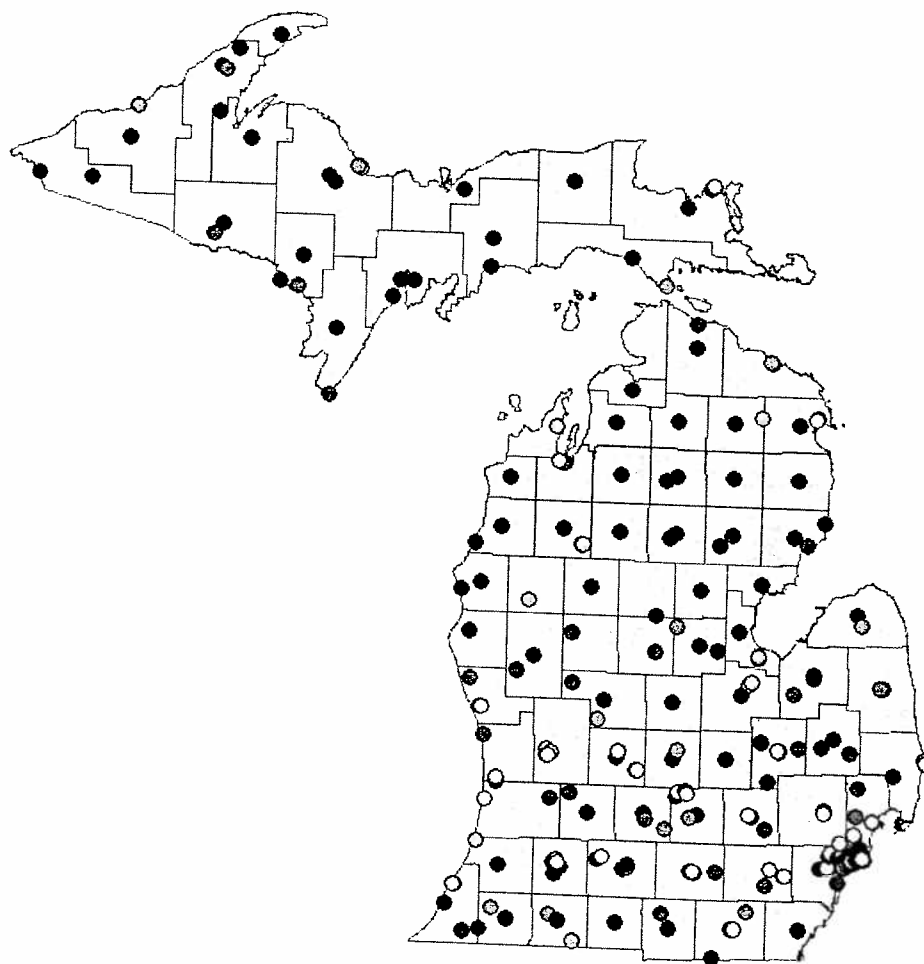


After

# Downtown Signature Building Acquisition

- Available for acquisition of vacant or underutilized buildings located in traditional downtowns.
- Projects qualify through job creation
- Local match of 25% is required

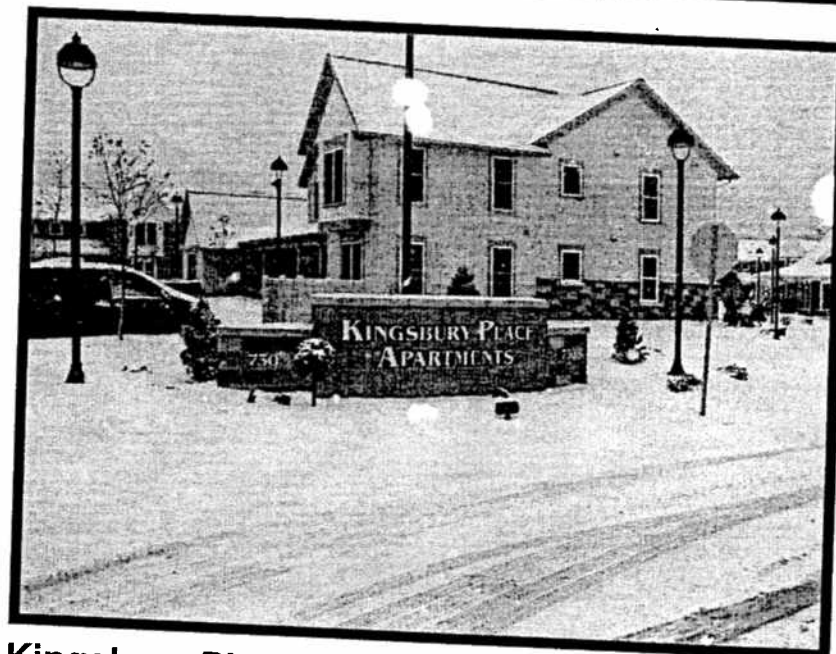
# MSHDA'S INVESTMENT STATEWIDE



- Affordable Homeownership Support
- Blueprints For Michigan's Downtowns
- Brownfield Redevelopment
- Comprehensive Revitalization Efforts
- Cool Cities
- ⊗ Downtown & Mixed-Use Neighborhoods
- Downtown Building Facade
- Downtown Infrastructure
- Downtown Market Studies
- Downtown Signature Building Acquisition
- Existing Homeowner Rehabilitation
- Michigan Main Street
- ⊗ Special Downtown Projects
- Targeted Homeownership Production

# MULTIFAMILY HOUSING DEVELOPMENT PROGRAMS

- New construction or substantial rehabilitation of:
  - Family housing, serving households with incomes ranging from \$9,000 to market rate
  - Senior housing, both independent and congregate
  - Urban and rural

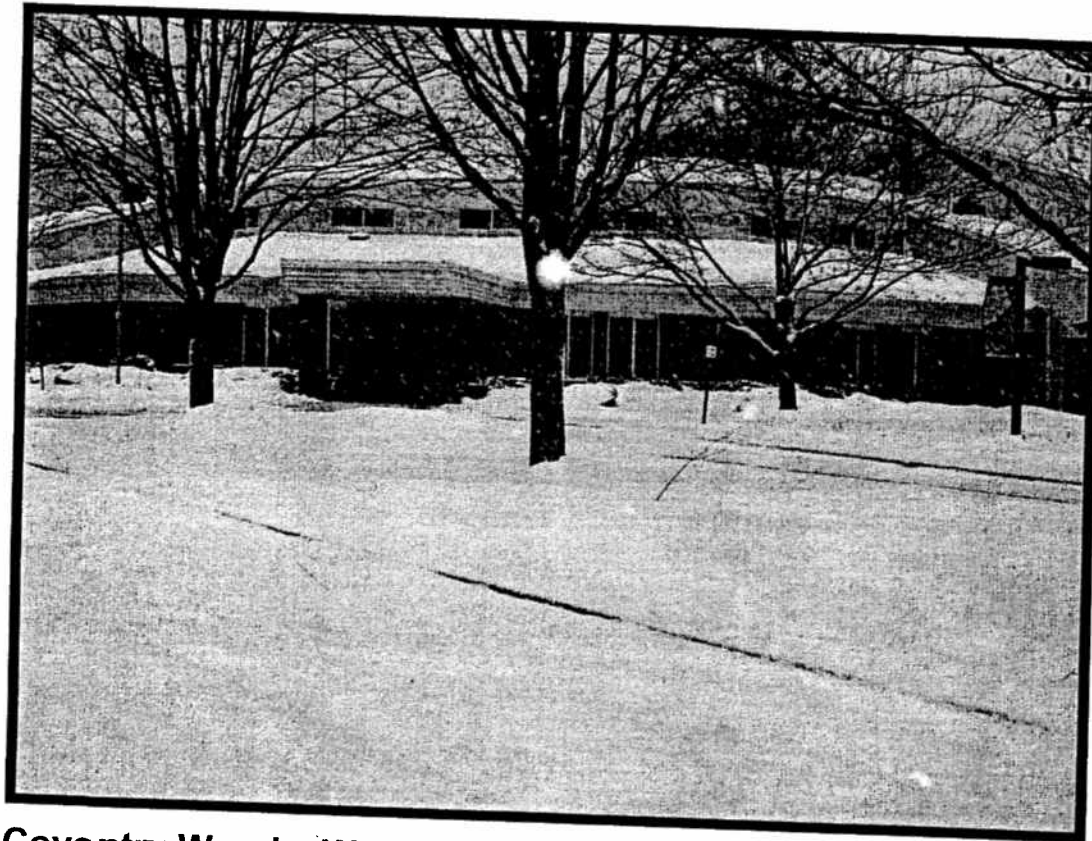


Kingsbury Place, Walker



Redford Manor, Redford Twp

# Preservation of Federally Assisted Housing



Coventry Woods, Walker

- Serves Michigan's lowest income residents.
- Over 100,000 of these units were developed in the 1970's and 1980's, are in need of rehabilitation, and are eligible to prepay and convert to market rate.

# Preservation Of Federally Assisted Housing

BEFORE



AFTER



Pinebrook Manor, Lansing



# HOMEOWNERSHIP PROGRAMS

The Homeownership Loan programs provide homeownership opportunities to eligible low and moderate-income homebuyers in the State of Michigan by purchasing below-market interest rate mortgage loans from lenders. The proceeds of these loans are used by the mortgagor to purchase modest residences, which must be occupied by the mortgagor as their principal residence.

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# GPA, DPA, EAH

- **Graduate Purchase Assistance (G.P.A.) Program**
  - In an attempt to encourage homeownership in the Cities of Promise, a reduced rate 30 year fixed Conventional Loan is being offered to individuals who have received a doctoral, Masters, Bachelors or Associates degree from an accredited institution within the 3 years prior to the date of loan application.
- **Down Payment Assistance (D.P.A.) Program**
  - Eligible individuals may receive a loan of up to \$7,500 for down payment assistance on certain loan types. The deferred loan has zero-interest and no monthly payments. Borrowers must adhere to certain guidelines to be eligible for these DPA funds.
- **Employer Assisted Housing (E.A.H.) Program**
  - A creative way to attract and retain quality employees, while at the same time, promote city neighborhoods. Employers provide down payment assistance with a match from MSHDA in a down payment assistance deferred loan.

## IDA/Asset Building

Statewide efforts are being made to offer Individual Development Accounts (IDA's) to low-income families in Michigan. IDA's are match savings accounts designed to help low-income families accumulate few thousand dollars in savings for high return investments in education, job training, homeownership or small business development. Account holders need to meet IDA program acceptance criteria (under 200% poverty, earned income).

## LINKS to Homeownership

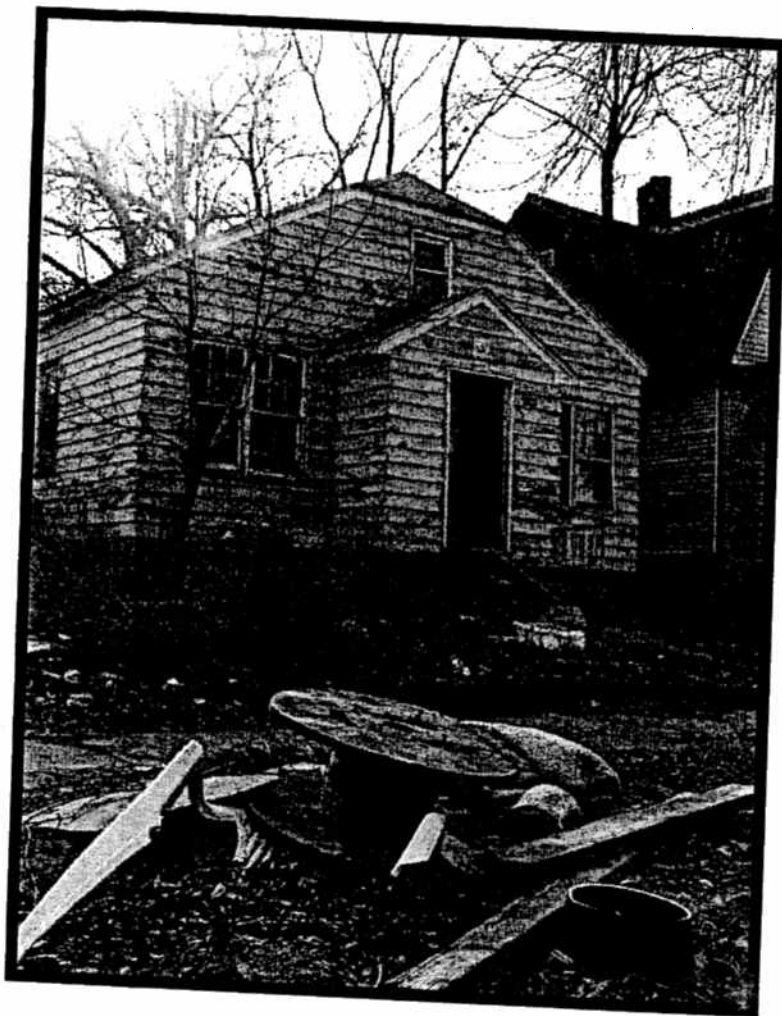
- LINKS to Homeownership Program is a home purchase counseling program designed to ensure successful homeownership by screening candidates for purchase potential, providing pre-purchase counseling, pre-purchase home inspections, foreclosure prevention counseling, credit repair counseling and access to down payment assistance funds.

# CREATING VIBRANT CITIES, TOWNS AND VILLAGES: NEEDS DATA

- The most successful regional economies across the country are those that have prosperous cities, towns and villages.
- In Michigan however, the majority of the forty-five cities with a population greater than 25,000 experienced serious distresses between 2000 and 2005.
  - 66% had population decline and 80% grew slower than the state rate of 1.8%.
  - 44% had an unemployment rate greater than the state rate of 6.7% in 2005.
  - 78% had SEV growth slower than the state increase of 46.2%.

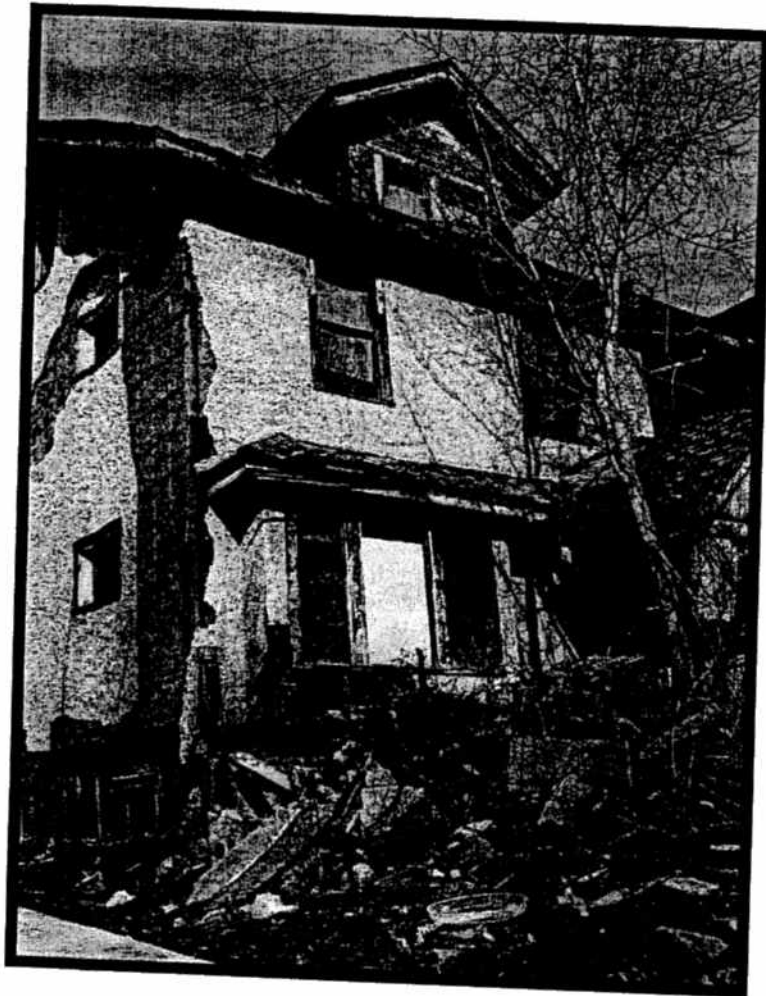


# HIGHLAND PARK



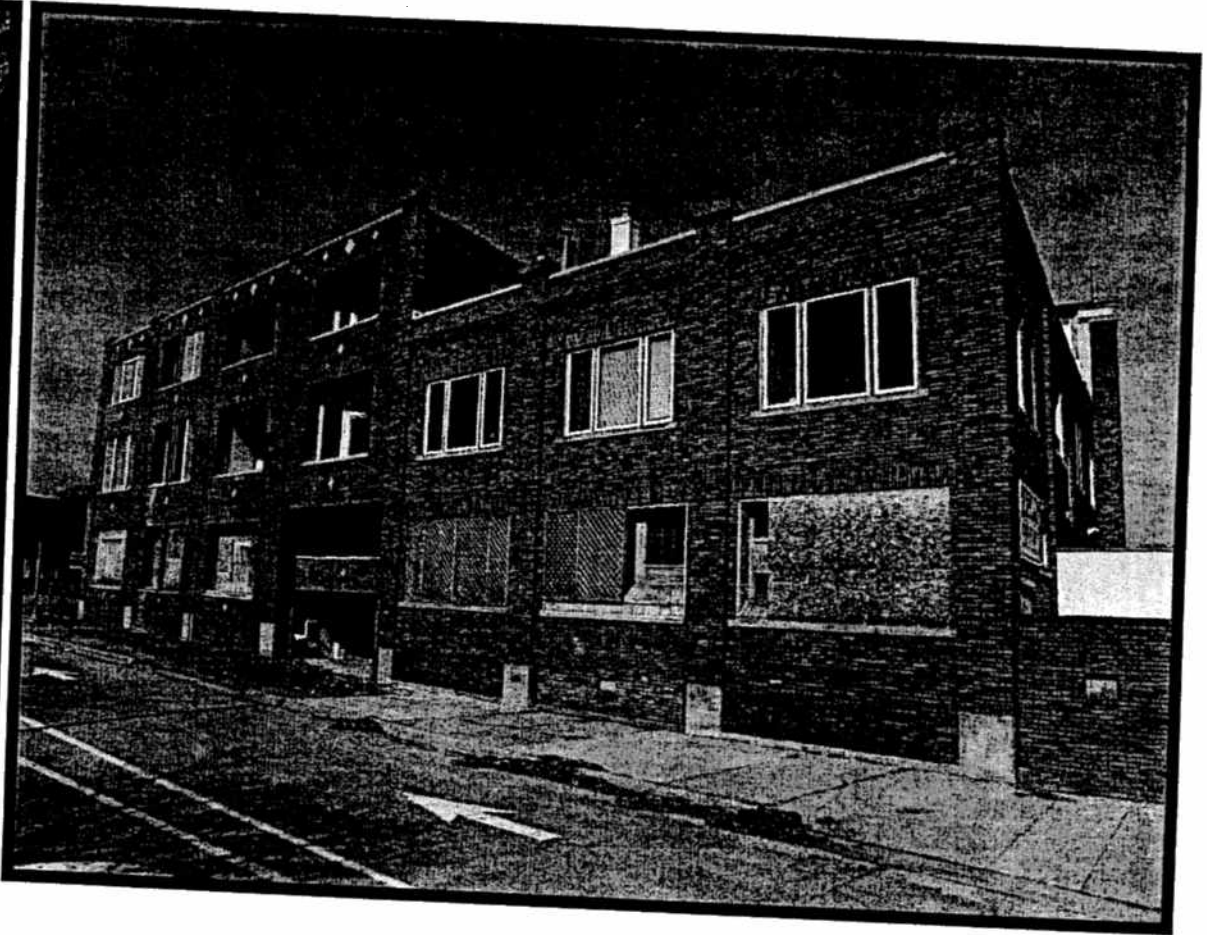
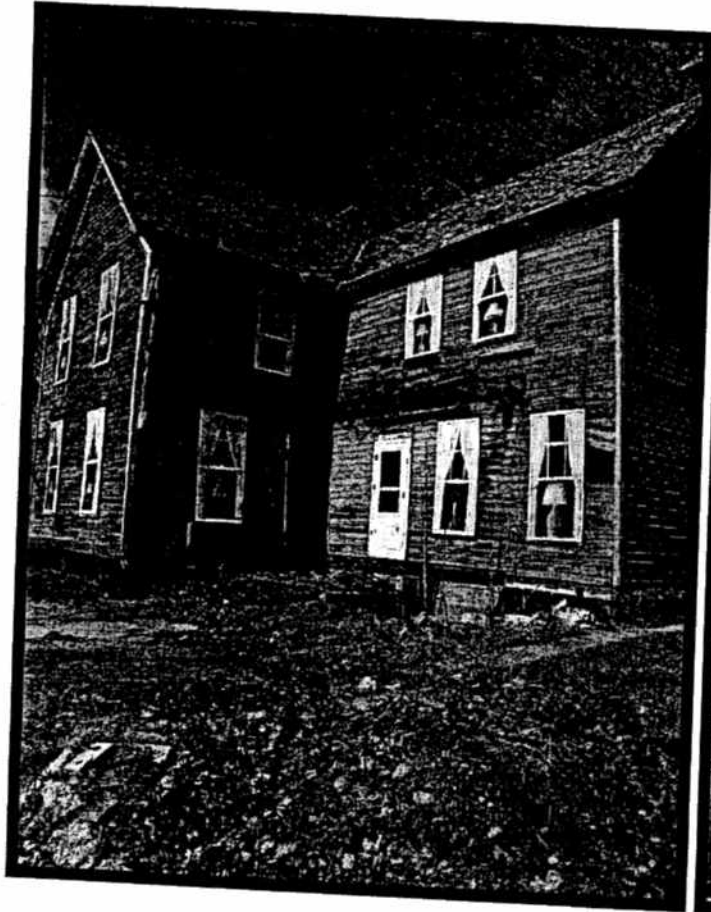


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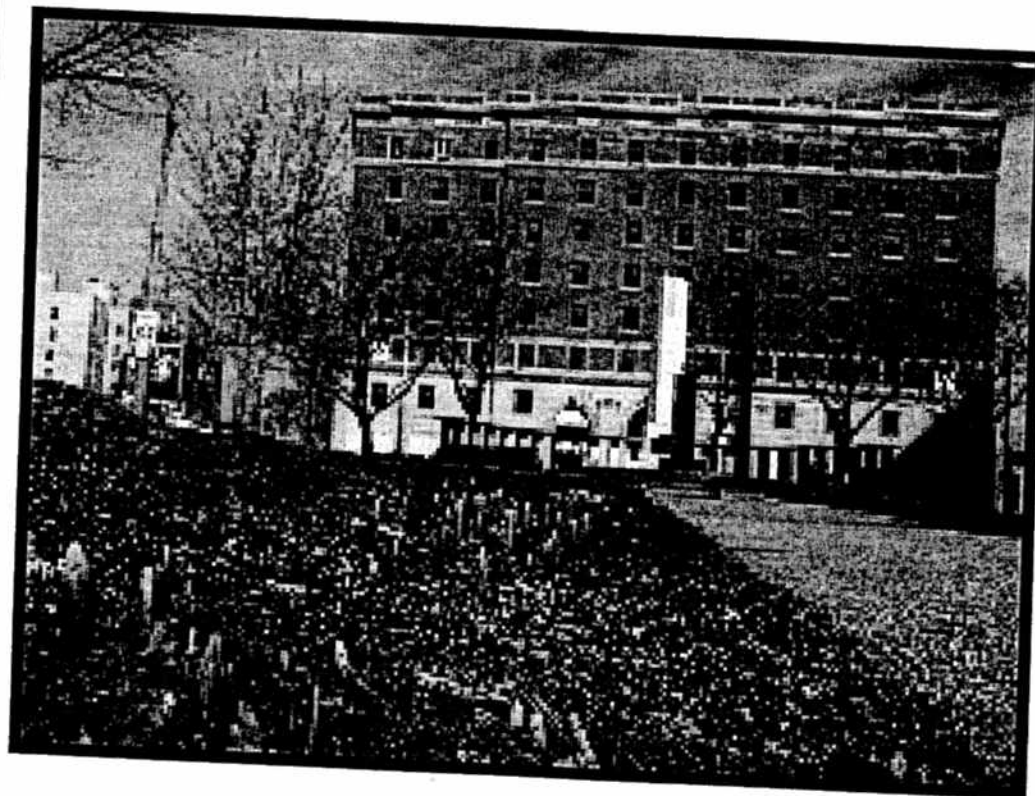
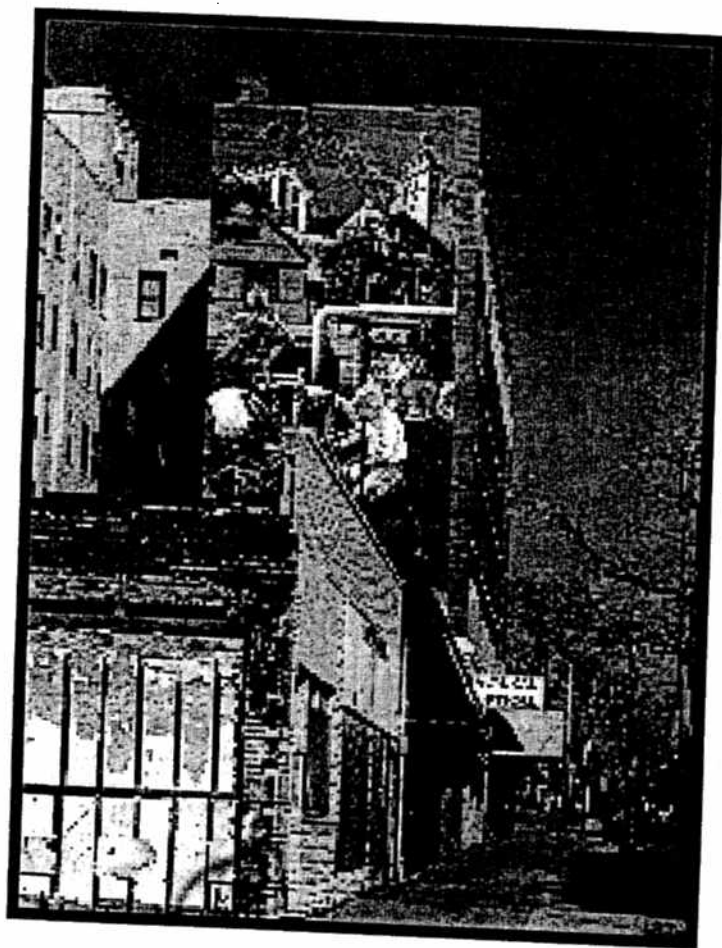




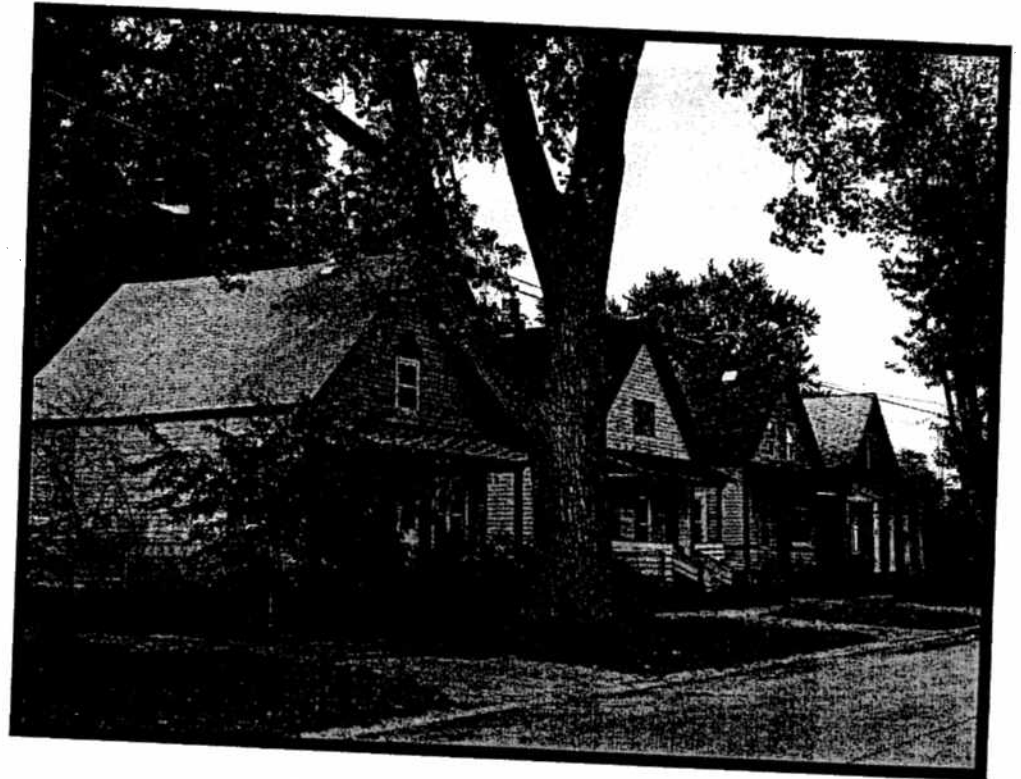
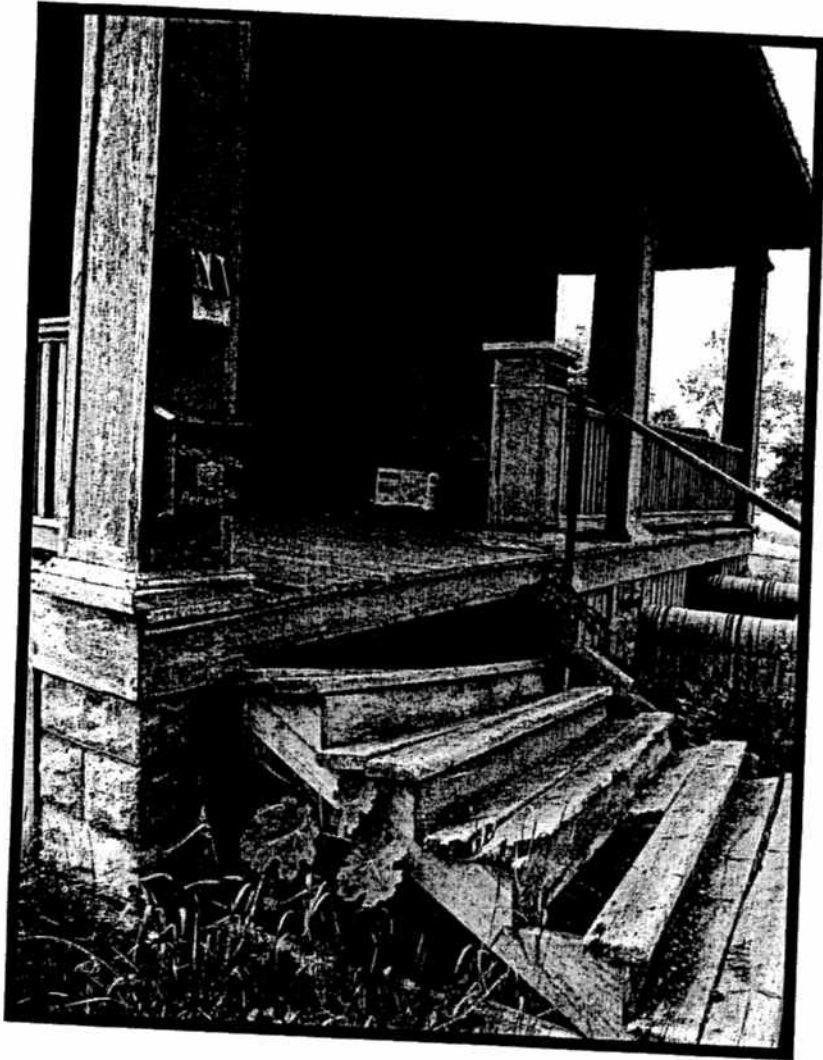
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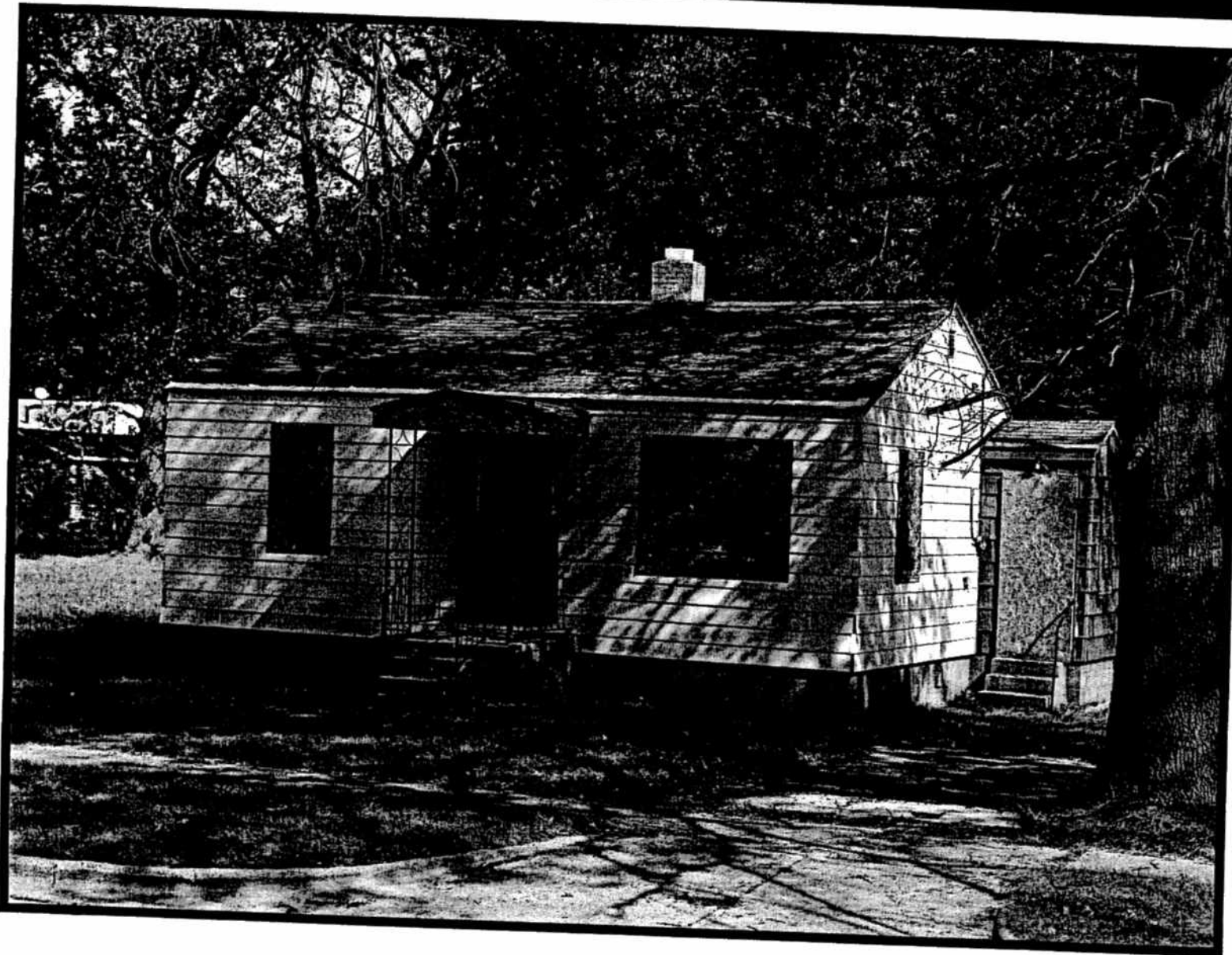


# SAGINAW





# MUSKEGON HEIGHTS



# END RESULT



**Michigan State Housing  
Development Authority**

Investing in the people and communities of  
Michigan.

